



May 15, 2013

Item No. 6

## AUTHORIZATION TO EXECUTE A HOUSING ASSISTANCE PAYMENTS CONTRACT FOR HOME FIRST 2

To the Honorable Board of Commissioners:

### RECOMMENDATION

It is recommended that the Board of Commissioners approve the attached Resolution authorizing the Chief Executive Officer or his designee to 1) execute a Housing Assistance Payments Contract for Home First 2; and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.

### CORPORATE GOAL

The purpose of this contract is to create more affordable housing opportunities for families in healthy and revitalizing neighborhoods by providing Property Rental Assistance (PRA) for ten (10) units detailed below.

### FUNDING: Housing Choice Voucher Program

### PROPERTY SUMMARY

Development Name	Community / Ward / Alderman	Developer / Owner	Target Population	PRA Units	Total Units
<b>Home First 2</b>	South Loop/ 2 <sup>nd</sup> /Bob Fioretti; Lakeview/44 <sup>th</sup> / Tom Tunney Hyde Park/ 4 <sup>th</sup> / William Burns & 5 <sup>th</sup> /Leslie Hariston Edgewater/ 48 <sup>th</sup> Harry Osterman	Home First Illinois/ IFF	People with Physical Disabilities	1 1 2 3 1 2	108 206 144 369 465 744

### CONTRACT SUMMARY

Development Name	Funding	Contract Term	Contract Type	Initial Max Contract	Total Max Contract	Application Received
<b>Home First Stage 2</b>	HCV Program	30 Years	HAP Contract	\$123,360/ year	\$3,700,800 (30 years)	February, 2013

## **BACKGROUND**

### **Waiting List / Occupancy Process**

It is the intent of the owner/manager of this property to lease all of the units to physically disabled applicants referred from the State of Illinois' Money Follows the Person program. Any applicants that are also on CHA's waiting list will be given a priority preference.

### **Proposed Development**

- Home First Illinois (HFI)/IFF received State funds to acquire 200 condominiums in Chicago over multi phases to retrofit for wheelchair users being transitioned out of nursing homes.
- Phase 1 was approved by the CHA Board in August, 2012 and consisted of 10 PRA units in 4 condo buildings, of which 2 units are now under a HAP contract while the other 8 are still being retrofitted.
- Phase 2 consists of 10 rental units in 6 condo buildings in 4 different community areas.

### **Developer Background**

- HFI, a subsidiary of IFF (formerly known as Illinois Facilities Fund) was created to develop and own supportive housing for very low-income people with physical disabilities.
- HFI received \$5 million in Build Illinois Bond funds from IHDA in 2012 to develop accessible housing for households referred through Money Follows the Person (MFP) program.
- If successful, IHDA will fund an additional \$10 million to HFI to acquire and retrofit more units for people with disabilities.
- The units will be managed by Affordable Property Management Specialists, which has been in business since 2006 for the purpose of managing affordable low-income housing.
- APM currently manages four LIHTC projects consisting of 10 buildings totaling 275 units in the City.

### **Financing**

The units will be acquired with Build Illinois Bond funds from IHDA (see section above).

### **Conclusion**

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) procurement laws.

The Chief Housing Officer concurs with the recommendation to execute a Housing Assistance Payments contract for Home First Initiative Stage 2.

The CEO/President recommends the approval to execute a Housing Assistance Payments contract for Home First Initiative Stage 2.

**RESOLUTION NO. 2013-CHA-32**

**WHEREAS,** the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated May 15, 2013 requesting authorization to execute a Housing Assistance Payments contract for Home First Initiative Stage 2;

**THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:**

**THAT,** the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1) execute a Housing Assistance Payments Contract for Home First Initiative Stage 2; and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.



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